

Senate 2011-13 Budget Proposal

The budget proposal would fund SWS for the biennium at \$23M, a reduction of \$22M from anticipated levels. In order to offset the impact of funding reductions to SWS eligible students, the proposal would:

- Make permanent the 2010 increases to employer match rates and non-resident ineligibility
- Increase employer match rates by 60% over 2010 levels (for-profits to 80%, non-profits to 48%)
- Increase SWS funding to keep pace with 11-13 proposed tuition and fee growth levels

Impact of Proposed Reduction for 2011-13

- By continuing funding to SWS, the Senate proposal would allow more than 15,000 needy students to help themselves pay for college by earning an average of \$3,000 in annual gross wages.
- In addition, taxpayers would see their \$23M biennial contribution serve more students as a result of increased employer match rates, providing an additional \$12.5M for needy students.
- However, increased employer match rates may negatively impact participation and earnings opportunities.
- Still, compared to fully funding SWS at \$45M, this reduction would result in:
 - The loss of 3,100 SWS awards for low and middle income resident graduates and undergraduates
 - Forfeiting a potential \$12M in employer matching funds on the \$22M reduction

House 2011-13 Budget Proposal

The budget proposal would suspend all funding to SWS for the biennium, a reduction of \$45 million.

Impact of Proposed Suspension for 2011-13

- Loss of 19,000 SWS awards for low and middle income resident graduates and undergraduates
- Loss of \$6,400 in average biennial SWS earnings equates to a 25% increase in unmet cost of attendance
- Increased student indebtedness occurs as loans replace work
- 2,000 contracted Washington employers lose millions of hours of workforce productivity
- Taxpayers lose \$15 million in leveraged employer matching funds, a 34% return on investment
- \$60 million compounded economic activity is lost in communities across the state
- Work opportunities are reduced to only 1% of all financial assistance available to students

* **Please note:** This brief reflects the impacts associated with the proposed House budget and the Senate Ways & Means Chair's budget proposal. The final budget will not be released until the conference budget is finalized.

For program and policy information contact Rachelle Sharpe at rachelles@hecb.wa.gov (360-753-7872) or Jeffrey Powell at jeffreyp@hecb.wa.gov (360-704-4150)